

VZCZCXRO8018
OO RUEHTRO
DE RUEHVT #0420/01 2771428
ZNY SSSSS ZZH
O 031428Z OCT 08
FM AMEMBASSY VALLETTA
TO RUEHC/SECSTATE WASHDC IMMEDIATE 1755
INFO RUEHAD/AMEMBASSY ABU DHABI 0014
RUEHAS/AMEMBASSY ALGIERS 0887
RUEHAK/AMEMBASSY ANKARA 0027
RUEHTH/AMEMBASSY ATHENS 0284
RUEHKB/AMEMBASSY BAKU 0012
RUEHBJ/AMEMBASSY BEIJING 0204
RUEHRL/AMEMBASSY BERLIN 0028
RUEHBS/AMEMBASSY BRUSSELS 1866
RUEHEG/AMEMBASSY CAIRO 0095
RUEHBY/AMEMBASSY CANBERRA 0065
RUEHIL/AMEMBASSY ISLAMABAD 0023
RUEHKL/AMEMBASSY KUALA LUMPUR 0009
RUEHLO/AMEMBASSY LONDON 0118
RUEHMD/AMEMBASSY MADRID 0643
RUEHNE/AMEMBASSY NEW DELHI 0116
RUEHNC/AMEMBASSY NICOSIA 0755
RUEHNY/AMEMBASSY OSLO 0229
RUEHFR/AMEMBASSY PARIS 3103
RUEHRH/AMEMBASSY RIYADH 0019
RUEHRO/AMEMBASSY ROME 1253
RUEHUL/AMEMBASSY SEOUL 0142
RUEHGP/AMEMBASSY SINGAPORE 0003
RUEHSM/AMEMBASSY STOCKHOLM 0438
RUEHTV/AMEMBASSY TEL AVIV 0682
RUEHTI/AMEMBASSY TIRANA 0026
RUEHKO/AMEMBASSY TOKYO 0011
RUEHTRO/AMEMBASSY TRIPOLI 0012
RUCNDT/USMISSION USUN NEW YORK 0029
RUEHBS/USEU BRUSSELS
RUEHIN/AIT TAIPEI 0008

S E C R E T SECTION 01 OF 02 VALLETTA 000420

SIPDIS

FOR ISN, T, TREASURY, AND NEA/IR

E.O. 12958: DECL: 10/03/2018

TAGS: [ECON](#) [EFIN](#) [ETRD](#) [PARM](#) [KNNP](#) [EUN](#) [EWWT](#) [PREL](#) [MT](#) [IR](#)

SUBJECT: MALTA STUDYING USG REQUEST TO TAKE ACTIONS AGAINST
LOCAL IRISL SUBSIDIARY

REF: A. STATE 104496

[1](#)B. VALLETTA 89

[1](#)C. VALLETTA 132

Classified By: DCM Jason Davis, reasons 1.4 (b) and (d)

[1](#)1. (C) On October 2, Ambassador and DCM met with Minister of Finance Tonio Fenech and MinFin Head of Secretariat Alan Caruana to deliver reftel demarche. Emphasizing that action would be consistent with UNSCRs 1737, 1747 and 1803, the Ambassador told the Finance Minister that the U.S. was urging Malta to freeze the assets of IRISL (Malta) LTD, to require comprehensive mandatory inspections of IRISL-related cargo, and to ensure that all Maltese companies cease business operations with IRISL. Separately, DCM conveyed the same request to Charles Inganez, head of Malta's interagency Sanctions Monitoring Board and the Director General for Economic Affairs at MFA.

[1](#)2. (C) Initially somewhat taken aback at the broad ramifications of the request (IRISL Malta has a significant presence at Malta's Freeport, and IRISL transshipment activity constitutes a large chunk of total activity there -- one of the reasons the U.S. recently funded a 1.2 million dollar VACIS-equipped warehouse for Maltese Customs at the Freeport), Minister Fenech in the end assured the Ambassador that Malta was "fully committed to combatting WMD proliferation" and would do its utmost to support the request to the fullest extent possible under Maltese law. Caruana

told DCM several hours later that Malta's Sanctions Monitoring Board was already examining the issue, and would determine what action would be possible on the basis of relevant UN resolutions and EU policy.

Comment

13. (C) It would be unusual for the GOM to decline to take action on a direct USG request. As reported Ref B, Malta agreed during the visit of Treasury U/S Levey to keep a close eye on Iranian involvement in Malta's banking system; it has since (Ref C, inter alia) worked consistently behind the scenes to strictly limit that access. In this case, however, despite the Finance Minister's good intentions, it seems quite possible that unilateral GOM action to shut down a commercial entity -- one that is well established here and which has counterparts elsewhere in the E.U. -- may turn out to be not possible at this time. Economics and logistics are not the only factors; even more significant is the priority Malta places on acting in concert with its fellow EU member states. A decision to step up inspections of IRISL cargo is more likely, but "comprehensive, mandatory inspections" of all IRISL containers transitting the Freeport would present a severe logistical challenge.

MINIMIZED CONSIDERED

VALLETTA 00000420 002 OF 002

BORDONARO